

## Prepared by the Economic Division in Wellington

### Key Points

- Northland contributes 3% of New Zealand's total GDP, employing about 3% of all New Zealand filled jobs.
- Primary food exports, private services, and manufacturing contribute the most to the region's GDP.
- Northland exports \$2.4 billion (17%) of its total gross output and imports \$1.4 billion (18%) worth of intermediate inputs; the manufacturing sector is the highest consumer of overseas intermediate goods.
- The countries that are key import sources for intermediate inputs are UAE, Europe, Malaysia Australia, and China.

### Insights

Northland contributes \$6.2 billion in GDP, making up 3% of total GDP. Within the region, private services and primary food exports contribute the most to regional GDP (about 20% each), followed by manufacturing and construction (about 12% each).

Northland is made up of the Far North District, the Kaipara District, and the Whangarei District. The latter is where the port is located. In 2019, 1% of New Zealand's exports and 7% of imports were via Whangarei port. Almost all the imports were crude oil for the Marsden Point refinery located at the entrance to Whangarei harbor.

Total employment in Northland accounts for about 3% of total national employment at around 54,000. Private services makes up 40% of jobs, followed by retail and wholesale, manufacturing, and construction. The majority of jobs in the region are located in the Whangarei District.

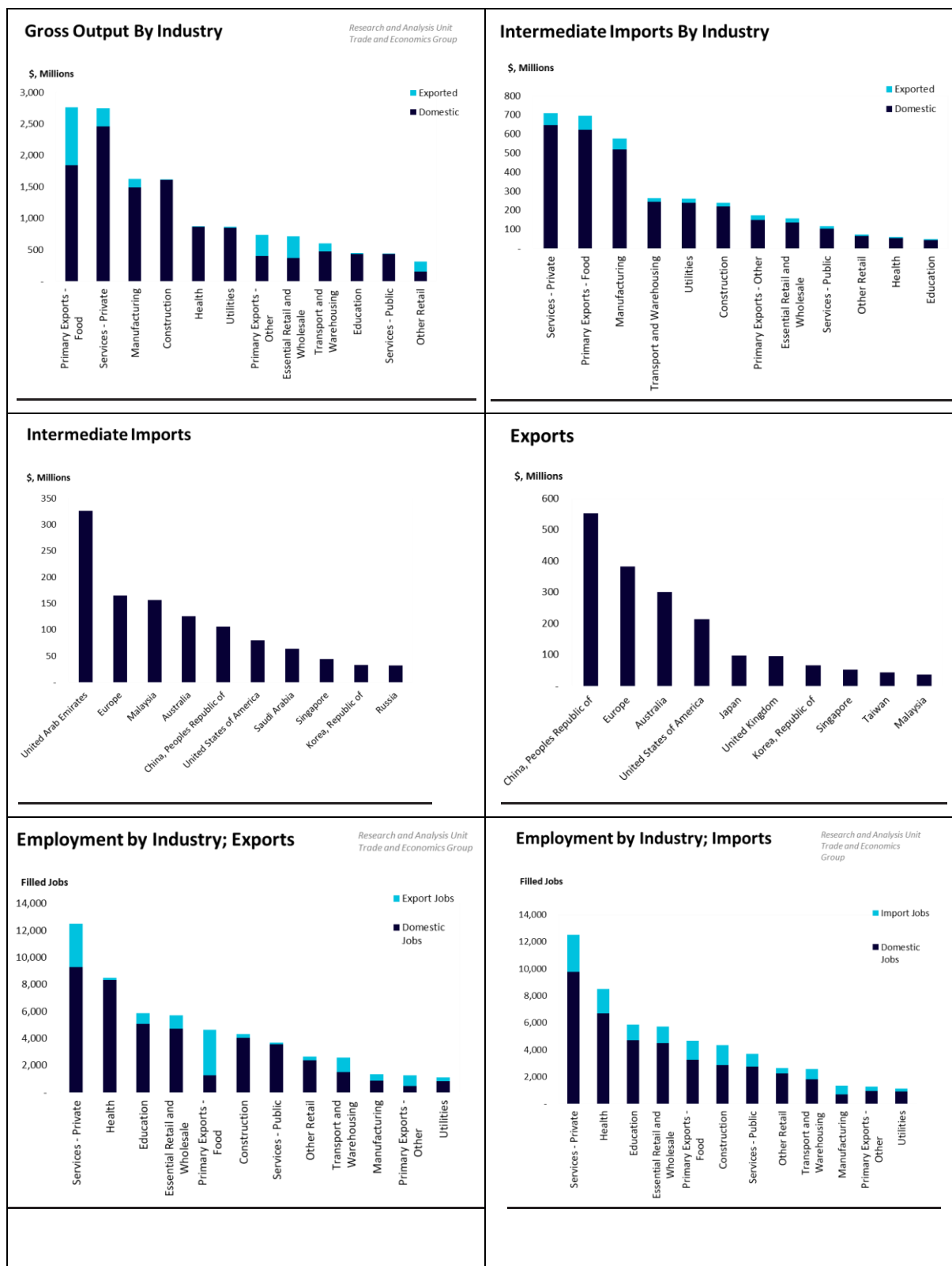
We estimate that \$2.4 billion (17%) of regional gross output is exported. Northland is the 13<sup>th</sup> largest region in terms of the proportion of output exported, similar to Otago and Canterbury. This is mainly due to Northland's second largest industry, primary food exports; this sector plays an important role in the domestic economy.

In terms of intermediate inputs into Northland's industries, about \$1.3 billion (18%) is imported, the remaining coming from domestic sources. This is primarily made of imports for the manufacturing sector which accounts for 49% of total imports and 64% of total manufacturing output.

The countries that are an important source for intermediate inputs into Northland are UAE, Europe, Malaysia, Australia, and China, which together account for some 65% of Northland imported intermediate consumption. The main export destinations that are important to Northland are: China, Europe, Australia United States, and Japan, which take just over half of its exports.

Export related jobs in Northland play an important role in the regional economy, accounting for about 22% of the total (12,000). Northland is the second least dependent (15<sup>th</sup> largest) region on export related jobs, only slightly more than Wellington. The industries that have the highest proportion of export-related jobs are primary food exports (73%), other primary exports (69%), transport and warehousing (41%) and manufacturing (36%). However, the industries that employ the most in export jobs are, primary food exports.

Import related jobs in Northland (of about 13,000) are concentrated most in private services and the health sector which collectively account for 35% of total imported jobs. As a percentage manufacturing is the most reliant on import-related jobs which account for 50% of those employed.



Source: Sense Partners, Stats NZ

**Note:** There is no official trade data by region. In this note we use a novel data set created by Sense Partners for MFAT to link regional gross domestic product by industry to exports. These are our best estimates of exports from the region. Due to data limitations the estimates refer to the year to June 2018. For a non-technical summary of the methodology see [MFAT Analytical Report Industry Exposure to Trade](#).

## ANNEX: INDUSTRY AGGREGATIONS

Category	Industry Grouping	Industry
Key Exporters	Primary Exports - Food	AA11. Horticulture and fruit growing
		AA12. Sheep, beef cattle, and grain farming
		AA13. Dairy cattle farming
		AA14. Poultry, deer, and other livestock farming
		AA31. Fishing and aquaculture
		AA32. Agriculture, forestry, and fishing support services and hunting
		CC11. Meat and meat product manufacturing
		CC12. Seafood processing
		CC13. Dairy product manufacturing
		CC14. Fruit, oil, cereal, and other food product manufacturing
		CC15. Beverage and tobacco product manufacturing
	Primary Exports - Other	AA21. Forestry and logging
		BB11. Mining
		CC31. Wood product manufacturing
		CC32. Pulp, paper, and converted paper product manufacturing
Essential Services	Health	QQ11. Health care and social assistance
	Essential Retail and Wholesale	FF11. Wholesale trade
		GH11. Motor-vehicle and motor-vehicle parts and fuel retailing
		GH12. Supermarket, grocery stores, and specialised food retailing
	Transport and Warehousing	II11. Road transport
		II12. Rail, water, air, and other transport
		II13. Postal, courier, transport support, and warehousing services
	Utilities	DD11. Electricity and gas supply
		DD12. Water, sewerage, drainage, and waste services
		JJ11. Information media services
		JJ12. Telecommunications, internet, and library services
Recovery Phase	Non-Primary Manufacturing	CC21. Textile, leather, clothing, and footwear manufacturing
		CC41. Printing
		CC51. Petroleum and coal product manufacturing
		CC52. Basic chemical and chemical product manufacturing
		CC53. Polymer product and rubber product manufacturing
		CC61. Non-metallic mineral product manufacturing
		CC71. Primary metal and metal product manufacturing
		CC72. Fabricated metal product manufacturing
		CC81. Transport equipment manufacturing
		CC82. Machinery and other equipment manufacturing
		CC91. Furniture and other manufacturing
	Construction	EE11. Building construction
		EE12. Heavy and civil engineering construction
		EE13. Construction services
	Education	PP11. Education and training
	Other Retail	GH13. Other store-based retailing and non-store retailing
	Services - Private	GH21. Accommodation and food services
		KK11. Finance
		KK12. Insurance and superannuation funds
		KK13. Auxiliary finance and insurance services
		LL11. Rental and hiring services (except real estate)
		LL12. Property operators and real estate services
		MN11. Professional, scientific, and technical services
		MN21. Administrative and support services
		RS11. Arts and recreation services
		RS21. Other services
	Services - Public	OO11. Local government administration
		OO21. Central government administration, defence, and public safety

*Note: The aggregation of industries into Industry Groupings is solely for analytical purposes.*

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